

KANAB CITY COUNCIL MEETING
JULY 8, 2014
KANE COUNTY COMMISSION CHAMBERS

PRESENT: Mayor Robert D. Houston, Council Members Kirt Carpenter, Kent Burggraaf, Brent Chamberlain and Joe B. Wright, City Manager/Recorder Joe Decker and City Treasurer RaeLene Johnson. Council Member Cheryl Brown excused.

WORK MEETING: Mayor Houston informed the Council that the CIB meeting that was scheduled for July 3rd was changed to August 6th.

Prayer was offered by Joe B. Wright. Pledge of allegiance was led by Kent Burggraaf.

Mayor Houston called the meeting to order and took roll call. Council member Brown was excused.

APPROVAL OF AGENDA: A motion to approve the agenda with one correction (Resolution 7-1-14 R should be changed from adopting **final** tax rate to adopting **proposed** tax rate) was made by Council Member Wright and 2nd by Council Member Carpenter. Motion passed unanimously by roll call vote. Council Member Brown absent.

APPROVAL OF MINUTES: A motion was made by Council Member Wright and 2nd by Council Member Chamberlain to approve the minutes of the June 10th meeting with corrections. Motion passed unanimously. Council Member Brown absent.

APPROVAL OF ACCOUNTS PAYABLE VOUCHERS: A motion was made by Council Member Chamberlain to approve the accounts payable vouchers for June 24 in the amount of \$189,578.06 and July 8 in the amount of \$147,508.89. Motion 2nd by Council Member Carpenter. Motion passed unanimously. Council Member Brown absent.

PUBLIC COMMENT PERIOD: Mr. Bill Cole addressed the Council thanking them for all they do. He also expressed appreciation to those who attend the meetings.

CONSIDER ADOPTION OF ORDINANCE 7-1-14 O AMENDING THE KANAB CITY

GENERAL ORDINANCES: Council Member Burggraaf updated the Council on the proposed changes to the General Ordinances. The changes in Section 11 were removing Section 11-321 and 327, Section 13-310 A & B, Section 13-200.02.010 #2 changing 90 days to 30 days that a license may be purchased for the following year. Section 13-310 #A changing to may be modified by ordinances and striking out everything from 1996 Edition to City Recorder, and B Penalties #1 and #2. A motion was made by Council Member Burggraaf and 2nd by Council Member Wright to adopt Ordinance 7-1-14 R amending the General Ordinances as recommended by the Planning Commission as stated above. Motion passed unanimously by roll call vote. Council Member Brown absent.

CONSIDER ADOPTING RESOLUTION 7-1-14 R ADOPTING THE PROPOSED TAX RATES FOR THE 2014/2015 FISCAL YEAR:

Mayor Houston explained the property tax increase and the property tax decrease. The property tax change is zero. He presented a chart for property tax rate consideration. Council Member Wright reminded everyone that this \$100,000 for home taxes is assessed

value not market value. Council Member Burggraaf expressed his concerns. He felt it was poor taxation policy to push forward on a tax increase without having a specific plan. He said this tax increase will normally just go into the general fund. He feels it should go back to the tax payers. The City needs a specific plan as to why the City wants to maintain this level of tax. He feels the City is missing the mark on all three of the taxes the City has, property tax, energy tax and sales tax. He said the property tax is unreasonably low and it would stabilize the budget more than the other taxes. Our sales tax and energy tax are at the top of the charts. He feels that sales tax is hitting the poor and needy. It also has a potential of driving larger purchases away from our area. He feels the other issue is truth and taxation. He read some of the Utah Code (59-2-919) to the audience. He felt this truth and taxation process needed to have happened by June 22nd during the budget process. He said this could open the City to liability. That is one of the reasons he wanted to serve on the Council is to help avoid unnecessary liabilities. If someone decided that they really didn't want their taxes to go up, and they came to me as an attorney; I would have to say you have grounds for a good law suit. Would you win it? That is another question. I don't like to put the City at so great a risk for such little gain. He felt there wasn't the proper advertizing notice which is two weeks before the meeting. He said the City is taking on a risk of liability. How do we know there isn't someone out there who would draw us into another lawsuit? We don't need that as far as the budget goes. Mayor Houston said that Council Member Burggraaf is right about having a specific plan for the additional \$25,000 and every effort should be made to have that plan before the Truth and Taxation meeting. Mayor Houston felt that every effort has been made to complete this process correctly. This was discussed with Greg Hardman, City Attorney, State Tax Commission, Auditor, and the County Clerk. Basically everyone is in agreement that this is the right path. Everyone has their own opinions. Mayor Houston said he feels comfortable with passing this resolution. If anyone doesn't want this to go through, all they have to do is get a petition started before the Truth and Taxation and that puts it on the ballot. Council Member Chamberlain said he supports the sales and energy tax. He thinks it was wise on previous councils to come to this decision for increasing revenue. He supports having everyone help with revenues and not just the property owners, but those who rent, government agencies who don't pay taxes, and those who visit. He thinks everyone should pay their fair share. Council Member Wright said he wanted to second everything that Council Member Chamberlain said. He said he had concerns during the budget process if this was something the City could do. He expressed appreciation for the work that Mr. Decker and the Mayor have done to make sure the City is following the process. He feels this is a good step forward for Kanab City. There are a lot of capital improvements that are needed. Council Member Carpenter liked the pro-active approach to the budget this year. Instead of looking at all the services we provide, and see what can be cut, we are looking at a wish list to see what we want to accomplish. That is progressing. It is thinking ahead. Council Member Burggraaf again read the State Statute. He thinks that the Department Heads need to have input in what capital improvement projects are needed in their departments. Council Member Carpenter feels that the departments have been stripped so much that needed maintenance isn't getting done. Council Member Chamberlain felt the budget process was done very effectively this year. A motion was made by Council Member Wright and 2nd by Council Member Chamberlain to adopt Resolution 7-1-14 R proposing the real and personal property tax as follows if not exempted by laws:

General Operations	0.000925
Recreation	0.000618

Total Tax Rate

0.001543

Motion passed by roll call vote. Council Member Carpenter, Wright, and Chamberlain voting yea and Council Member Burggraaf voting nay. Council Member Brown absent.

A motion to adjourn was made by Council Member Wright and 2nd by Council Member Chamberlain. Motion passed unanimously. Council Member Brown absent.

MAYOR

ROBERT D. HOUSTON

RECORDER

JOE DECKER